

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ANTHONY QUITO, individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

COINBASE GLOBAL, INC. AND  
COINBASE, INC.,

Defendants.

No. 2:25-cv-00940

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMAND**

## INTRODUCTION

1. Representative Plaintiff Anthony Quito (“Representative Plaintiff”) brings this Class Action Complaint against Defendants Coinbase Global, Inc. and Coinbase Inc. (“Defendants”) for their failure to properly secure and safeguard Representative Plaintiff’s and Class Members’ protected personally identifiable information stored within Defendants’ information network, including, without limitation, names, addresses, account data and government ID images (these types of information, *inter alia*, being thereafter referred to, collectively, as “personally identifiable information” or “PII”).<sup>1</sup>

2. With this action, Representative Plaintiff seeks to hold Defendants responsible for the harms they caused and will continue to cause Representative Plaintiff and all other similarly situated persons in the massive and preventable cyberattack purportedly discovered by Defendants on May 11, 2025, in which cybercriminals infiltrated Defendants’ inadequately protected network servers and accessed highly sensitive PII that was being kept unprotected (“Data Breach”).

3. While Defendants claim to have discovered the breach as early as May 11, 2025, Representative Plaintiff and Class Members were wholly unaware of the Data Breach until they learned of it in the media on May 15, 2025.

4. Defendants acquired, collected, and stored Representative Plaintiff’s and Class Members’ PII. Therefore, at all relevant times, Defendants knew or should have known that

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<sup>1</sup> Personally identifiable information (“PII”) generally incorporates information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information. 2 C.F.R. § 200.79. At a minimum, it includes all information that on its face expressly identifies an individual. PII also is generally defined to include certain identifiers that do not on its face name an individual, but that are considered to be particularly sensitive and/or valuable if in the wrong hands (for example, Social Security numbers, passport numbers, driver’s license numbers, financial account numbers, etc.).

1 Representative Plaintiff and Class Members would use, and in fact did use, Defendants' services  
2 to store and/or share sensitive data, including highly confidential PII.

3 5. By obtaining, collecting, using, and deriving a benefit from Representative  
4 Plaintiff's and Class Members' PII, Defendants assumed legal and equitable duties to those  
5 individuals. These duties arise from state and federal statutes and regulations, and common law  
6 principles.  
7

8 6. Defendants disregarded the rights of Representative Plaintiff and Class Members  
9 by intentionally, willfully, recklessly, and/or negligently failing to take and implement adequate  
10 and reasonable measures to ensure that Representative Plaintiff's and Class Members' PII was  
11 safeguarded, failing to take available steps to prevent unauthorized disclosure of data and failing  
12 to follow applicable, required and appropriate protocols, policies, and procedures regarding the  
13 encryption of data, even for internal use. As a result, Representative Plaintiff's and Class  
14 Members' PII was compromised through disclosure to an unknown and unauthorized third  
15 party—an undoubtedly nefarious third party seeking to profit off this disclosure by defrauding  
16 Representative Plaintiff and Class Members in the future. Representative Plaintiff and Class  
17 Members have a continuing interest in ensuring that their information is and remains safe and are  
18 entitled to injunctive and other equitable relief.  
19  
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### 21 **JURISDICTION AND VENUE**

22 7. Jurisdiction is proper in this Court under 28 U.S.C. § 1332 (diversity jurisdiction).  
23 Specifically, this Court has subject matter and diversity jurisdiction over this action under 28  
24 U.S.C. § 1332(d) because this is a class action where the amount in controversy exceeds the sum  
25 or value of \$5 million, exclusive of interest and costs, there are more than 100 members in the  
26 proposed class, and at least one Class Member is a citizen of a state different from Defendant.  
27

1 8. Supplemental jurisdiction to adjudicate issues pertaining to state law is proper in  
2 this Court under 28 U.S.C. § 1367.

3 9. Defendants is headquartered and/or routinely conducts business in the State where  
4 this District is located, has sufficient minimum contacts in this State, has intentionally availed  
5 itself of this jurisdiction by marketing and/or selling products and/or services and/or by accepting  
6 and processing payments for those products and/or services within this State.  
7

8 10. Venue is proper in this Court under 28 U.S.C. § 1391 because a substantial part of  
9 the events that gave rise to Representative Plaintiff's claims took place within this District and  
10 Defendants are headquartered and/or does business in this Judicial District.

11 **REPRESENTATIVE PLAINTIFF'S COMMON EXPERIENCES**

12 11. Defendants received highly sensitive PII from Representative Plaintiff in  
13 connection with the services Representative Plaintiff received or requested. As a result,  
14 Representative Plaintiff's information was among the data an unauthorized third party accessed  
15 in the Data Breach.  
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17 12. Representative Plaintiff was and is very careful about sharing their PII.  
18 Representative Plaintiff has never knowingly transmitted unencrypted sensitive PII over the  
19 internet or any other unsecured source.  
20

21 13. Representative Plaintiff stored documents containing his PII in a safe and secure  
22 location or destroyed the documents. Moreover, Representative Plaintiff diligently chose unique  
23 usernames and passwords for their various online accounts.

24 14. Representative Plaintiff took reasonable steps to maintain the confidentiality of  
25 their PII and relied on Defendants to keep their PII confidential and securely maintained, to use  
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1 this information to facilitate customer transactions, and to make only authorized disclosures of  
2 this information.

3 15. As a result of the Data Breach, Representative Plaintiff spent time dealing with the  
4 consequences of the Data Breach, which included time spent verifying the legitimacy of the Data  
5 Breach and self-monitoring their accounts and credit reports to ensure no fraudulent activity had  
6 occurred. This time has been lost forever and cannot be recaptured.

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8 16. Representative Plaintiff suffered actual injury in the form of damages to and  
9 diminution in the value of their PII—a form of intangible property that Representative Plaintiff  
10 entrusted to Defendants, which was compromised in and because of the Data Breach.

11 17. Representative Plaintiff suffered lost time, annoyance, interference, and  
12 inconvenience because of the Data Breach and have anxiety and increased concerns for the loss  
13 of privacy, as well as anxiety over the impact of cybercriminals accessing, using, and selling  
14 Representative Plaintiff's PII.

15  
16 18. Representative Plaintiff suffered imminent and impending injury arising from the  
17 substantially increased risk of fraud, identity theft, and misuse resulting from his PII, in  
18 combination with his name, being placed in the hands of unauthorized third parties/criminals.

19 19. Representative Plaintiff has a continuing interest in ensuring that Representative  
20 Plaintiff's PII, which, upon information and belief, remains backed up in Defendants' possession,  
21 is protected and safeguarded from future breaches.  
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***Plaintiff Anthony Quito's Experiences***

20. On or about May 15, 2025, Representative Plaintiff learned that his PII had been accessed because of the Data Breach.

21. Representative Plaintiff is an adult individual and, at all times relevant herein, a resident and citizen of the State of Washington. Representative Plaintiff is a victim of the Data Breach. Defendants received Representative Plaintiff's PII in connection with the services he received as Defendants' customer.

22. As a result, Representative Plaintiff's PII was among the data an unauthorized third party accessed in the Data Breach.

23. Representative Plaintiff regularly monitors his credit and identity for fraudulent activity since the Breach.

24. Representative Plaintiff is made uncomfortable because his personal information is out there.

**DEFENDANTS**

25. Defendants are a multinational publicly traded company operating a cryptocurrency exchange that allows investors to buy, sell, and transfer over 250 cryptocurrencies. Founded in 2012, Coinbase is the largest cryptocurrency exchange in the United States regarding trading volume, with over 8.4 million monthly transacting users worldwide, 245,000 ecosystem partners, and reported revenue of \$6.3 billion in 2024.

26. The true names and capacities of persons or entities, whether individual, corporate, associate or otherwise, who may be responsible for some of the claims alleged here are currently unknown to Representative Plaintiff. Representative Plaintiff will seek leave of court to amend

1 this Complaint to reflect the true names and capacities of such responsible parties when their  
2 identities become known.

3 **CLASS ACTION ALLEGATIONS**

4 27. Representative Plaintiff bring this action pursuant to the provisions of Rules 23(a),  
5 (b)(2), and (b)(3) of the Federal Rules of Civil Procedure (“F.R.C.P.”) on behalf of Representative  
6 Plaintiff and the following classes/subclass(es) (collectively, the “Class(es)”):

7 **Nationwide Class:**

8 “All individuals within the United States of America whose PII was  
9 exposed to unauthorized third parties as a result of the data breach  
10 discovered by Defendants on May 11, 2025.”

11 28. Excluded from the Classes are the following individuals and/or entities:  
12 Defendants and Defendants’ parents, subsidiaries, affiliates, officers, and directors and any entity  
13 in which Defendants have a controlling interest, all individuals who make a timely election to be  
14 excluded from this proceeding using the correct protocol for opting out, any and all federal, state  
15 or local governments, including but not limited to its departments, agencies, divisions, bureaus,  
16 boards, sections, groups, counsel, and/or subdivisions, and all judges assigned to hear any aspect  
17 of this litigation, as well as their immediate family members.

18 29. In the alternative, Representative Plaintiff request additional subclasses as  
19 necessary based on the types of PII that were compromised.

20 30. Representative Plaintiff reserves the right to amend the above Class definitions or  
21 to propose other subclasses in subsequent pleadings and motions for class certification.

22 31. This action has been brought and may properly be maintained as a class action  
23 under F.R.C.P. Rule 23 because there is a well-defined community of interest in the litigation and  
24 membership of the proposed Classes is readily ascertainable.  
25  
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1           32.    Numerosity: A class action is the only available method for the fair and efficient  
2 adjudication of this controversy. The members of the proposed Class are so numerous that joinder  
3 of all members is impractical, if not impossible. Representative Plaintiff is informed and believes  
4 and, on that basis, alleges that the total number of Class Members is in the tens of thousands of  
5 individuals. Membership in the Class will be determined by analysis of Defendants' records.  
6

7           33.    Commonality: Representative Plaintiff and the Class Members share a community  
8 of interest in that there are numerous common questions and issues of fact and law which  
9 predominate over any questions and issues solely affecting individual members, including, but  
10 not necessarily limited to:  
11

12           a.    Whether Defendants had a legal duty to Representative Plaintiff and the Class to  
13 exercise due care in collecting, storing, using and/or safeguarding their PII;

14           b.    Whether Defendants knew or should have known of the susceptibility of its data  
15 security systems to a data breach;

16           c.    Whether Defendants' security procedures and practices to protect its systems were  
17 reasonable in light of the measures recommended by data security experts;

18           d.    Whether Defendants' failure to implement adequate data security measures  
19 allowed the Data Breach to occur;

20           e.    Whether Defendants failed to comply with their own policies and applicable laws,  
21 regulations and industry standards relating to data security;

22           f.    Whether Defendants adequately, promptly and accurately informed  
23 Representative Plaintiff and Class Members that their PII had been compromised;

24           g.    How and when Defendants actually learned of the Data Breach;



1 h. Whether Defendants' conduct, including its failure to act, resulted in or was the  
2 proximate cause of the breach of its systems, resulting in the loss of the PII of Representative  
3 Plaintiff and Class Members;

4 i. Whether Defendants adequately addressed and fixed the vulnerabilities which  
5 permitted the Data Breach to occur;

6 j. Whether Defendants engaged in unfair, unlawful or deceptive practices by failing  
7 to safeguard Representative Plaintiff's and Class Members' PII;

8 k. Whether Representative Plaintiff and Class Members are entitled to actual and/or  
9 statutory damages and/or whether injunctive, corrective and/or declaratory relief and/or an  
10 accounting is/are appropriate as a result of Defendants' wrongful conduct;

11 l. Whether Representative Plaintiff and Class Members are entitled to restitution as  
12 a result of Defendants' wrongful conduct.

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14  
15 34. Typicality: Representative Plaintiff's claims are typical of the claims of the Class  
16 Members. Representative Plaintiff and all members of the Class sustained damages arising out of  
17 and caused by Defendants' common course of conduct in violation of law, as alleged herein.

18 35. Adequacy of Representation: Representative Plaintiff in this class action is an  
19 adequate representative of each of the Class Members and the Class, in that Representative  
20 Plaintiff has the same interest in the litigation of this case as the Class Members, is committed to  
21 the vigorous prosecution of this case and has retained competent counsel who are experienced in  
22 conducting litigation of this nature. Representative Plaintiff is not subject to any individual  
23 defenses unique from those conceivably applicable to other Class Members or the Class in their/its  
24 entirety. Representative Plaintiff anticipates no management difficulties in this litigation.

25 36. Superiority of Class Action: The damages suffered by individual Class Members  
26 are significant but may be small relative to each member's enormous expense of individual  
27 litigation. This makes or may make it impractical for members of the Class to seek redress

1 individually for the wrongful conduct alleged herein. Even if Class Members could afford such  
2 individual litigation, the court system could not. Should separate actions be brought or be required  
3 to be brought by each individual member of the Class, the resulting multiplicity of lawsuits would  
4 cause undue hardship and expense for the Court and the litigants. The prosecution of separate  
5 actions would also create a risk of inconsistent rulings which might be dispositive of the interests  
6 of other Class Members who are not parties to the adjudications and/or may substantially impede  
7 their ability to protect their interests adequately. Individualized litigation increases the delay and  
8 expense to all parties and to the court system, presented by the case's complex legal and factual  
9 issues. By contrast, the class action device presents far fewer management difficulties and  
10 provides the benefits of single adjudication, economy of scale and comprehensive supervision by  
11 a single court.

12 37. Class certification is proper because the questions raised by this Complaint are of  
13 common or general interest affecting numerous persons, so it is impracticable to bring all Class  
14 Members before the Court.

15 38. This class action is also appropriate for certification because Defendants have  
16 acted or refused to act on grounds generally applicable to Class Members, thereby requiring the  
17 Court's imposition of uniform relief to ensure compatible standards of conduct toward the Class  
18 Members and making final injunctive relief appropriate concerning the Class in its entirety.  
19 Defendants' policies and practices challenged herein apply to and affect Class Members  
20 uniformly. Representative Plaintiff's challenge of these policies and procedures hinges on  
21 Defendants' conduct concerning the Class in its entirety, not on facts or law applicable only to  
22 Representative Plaintiff.  
23

24 39. Unless a Class-wide injunction is issued, Defendants may continue failing to  
25 secure Class Members' PII properly, and Defendants may continue to act unlawfully, as set forth  
26 in this Complaint.  
27

40. Further, Defendants have acted or refused to act on grounds generally applicable to the Class and, accordingly, final injunctive or corresponding declaratory relief with regard to the Class Members as a whole is appropriate under F.R.C.P. Rule 23(b)(2).

## CAUSES OF ACTION

**COUNT ONE**

## Negligence

**(On behalf of the Nationwide Class)**

41. Each and every allegation of the preceding paragraphs is incorporated in this Count with the same force and effect as though fully set forth herein.

42. At all times herein relevant, Defendants owed Representative Plaintiff and Class Members a duty of care, *inter alia*, to act with reasonable care to secure and safeguard their PII and to use commercially reasonable methods to do so. Defendants took on this obligation upon accepting and storing Representative Plaintiff's and Class Members' PII on its computer systems and networks.

43. Among these duties, Defendants was expected:

a. to exercise reasonable care in obtaining, retaining, securing, safeguarding, deleting and protecting the PII in its possession;

b. to protect Representative Plaintiff's and Class Members' PII using reasonable and adequate security procedures and systems that were/are compliant with industry-standard practices;

c. to implement processes to detect the Data Breach quickly and to act on warnings about data breaches timely; and

d. to promptly notify Representative Plaintiff and Class Members of any data breach, security incident or intrusion that affected or may have affected their PII.

1           44. Defendants knew or should have known that the PII was private and confidential  
2 and should be protected as private and confidential and, thus, Defendants owed a duty of care to  
3 not subject Representative Plaintiff and Class Members to an unreasonable risk of harm because  
4 they were foreseeable and probable victims of any inadequate security practices.

5           45. Defendants knew or should have known of the risks inherent in collecting and  
6 storing PII, the vulnerabilities of its data security systems and the importance of adequate security.

7           46. Defendants knew or should have known that its data systems and networks did not  
8 adequately safeguard Representative Plaintiff's and Class Members' PII.

9           47. Only Defendants were in the position to ensure that its systems and protocols were  
10 sufficient to protect the PII that Representative Plaintiff and Class Members had entrusted to it.

11           48. Defendants breached their duties to Representative Plaintiff and Class Members  
12 by failing to provide fair, reasonable, or adequate computer systems and data security practices  
13 to safeguard their PII.

14           49. Because Defendants knew that a breach of their systems could damage numerous  
15 individuals, including Representative Plaintiff and Class Members, Defendants had a duty to  
16 adequately protect its data systems and the PII stored thereon.

17           50. Representative Plaintiff's and Class Members' willingness to entrust Defendants  
18 with their PII was predicated on the understanding that Defendants would take adequate security  
19 precautions. Moreover, only Defendants could protect their systems and the PII they stored on  
20 them from attack. Thus, Defendants had a special relationship with Representative Plaintiff and  
21 Class Members.

22           51. Defendants also had independent duties under state and federal laws that required  
23 Defendants to reasonably safeguard Representative Plaintiff's and Class Members' PII and  
24

1 promptly notify them about the Data Breach. These “independent duties” are untethered to any  
2 contract between Defendant, Representative Plaintiffs, and/or the remaining Class Members.

3 52. Defendants breached their general duty of care to Representative Plaintiff and  
4 Class Members in, but not necessarily limited to, the following ways:

5 a. by failing to provide fair, reasonable and/or adequate computer systems and data  
6 security practices to safeguard Representative Plaintiff’s and Class Members’ PII;

7 b. by failing to timely and accurately disclose that Representative Plaintiff’s and  
8 Class Members’ PII had been improperly acquired or accessed;

9 c. by failing to adequately protect and safeguard PII by knowingly disregarding  
10 standard information security principles, despite obvious risks and by allowing unmonitored and  
11 unrestricted access to unsecured PII;

12 d. by failing to provide adequate supervision and oversight of the PII with which it  
13 was and is entrusted, in spite of the known risk and foreseeable likelihood of breach and misuse,  
14 which permitted an unknown third party to gather Representative Plaintiff’s and Class Members’  
15 PII, misuse the PII and intentionally disclose it to others without consent;

16 e. by failing to adequately train its employees not to store ger than absolutely  
17 necessary;

18 f. by failing to consistently enforce security policies aimed at protecting  
19 Representative Plaintiff’s and Class Members’ PII;

20 g. by failing to implement processes to quickly detect data breaches, security  
21 incidents or intrusions; and

22 h. by failing to encrypt Representative Plaintiff’s and Class Members’ PII and  
23 monitor user behavior and activity in order to identify possible threats.  
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1           53. Defendants' willful failure to abide by these duties was wrongful, reckless and/or  
2 grossly negligent in light of the foreseeable risks and known threats.

3           54. As a proximate and foreseeable result of Defendants' grossly negligent conduct,  
4 Representative Plaintiff and Class Members have suffered damages and are at imminent risk of  
5 additional harm and damages (as alleged above).  
6

7           55. The law further imposes an affirmative duty on Defendants to timely disclose the  
8 unauthorized access and theft of the PII to Representative Plaintiff and Class Members so that  
9 they could and/or still can take appropriate measures to mitigate damages, protect against adverse  
10 consequences, and thwart future misuse of their PII.

11           56. Defendants breached their duty to notify Representative Plaintiff and Class  
12 Members of the unauthorized access by failing and continuing to fail to provide Representative  
13 Plaintiff and Class Members sufficient information regarding the breach. To date, Defendants  
14 have not provided sufficient information to Representative Plaintiff and Class Members regarding  
15 the extent of the unauthorized access and continue to breach their disclosure obligations to  
16 Representative Plaintiff and Class Members.  
17

18           57. Further, explicitly failing to provide timely and clear notification of the Data  
19 Breach to Representative Plaintiff and Class Members, Defendants prevented Representative  
20 Plaintiff and Class Members from taking meaningful, proactive steps to secure their PII.  
21

22           58. There is a close causal connection between Defendants' failure to implement  
23 security measures to protect Representative Plaintiff's and Class Members' PII and the harm (or  
24 risk of imminent harm suffered) by Representative Plaintiff and Class Members. Representative  
25 Plaintiff's and Class Members' PII was accessed as the proximate result of Defendant's failure to  
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1 exercise reasonable care in safeguarding such PII by adopting, implementing and maintaining  
2 appropriate security measures.

3 59. Defendants' wrongful actions, inactions, and omissions constituted (and continue  
4 to constitute) common law negligence.

5 60. The damages Representative Plaintiff and Class Members have suffered (as  
6 alleged above) and will continue to suffer were and are the direct and proximate result of  
7 Defendants' grossly negligent conduct.

8 61. Additionally, 15 U.S.C. § 45 (FTC Act, Section 5) prohibits "unfair [...] practices  
9 in or affecting commerce," including, as interpreted and enforced by the FTC, the unfair act or  
10 practice by businesses, such as Defendants, of failing to use reasonable measures to protect PII.  
11 The FTC publications and orders described above also form part of the basis of Defendants' duty  
12 in this regard.  
13

14 62. Defendants violated 15 U.S.C. § 45 by failing to use reasonable measures to  
15 protect PII and by not complying with applicable industry standards, as described in detail herein.  
16 Defendants' conduct was particularly unreasonable given the nature and amount of PII it obtained  
17 and stored and the foreseeable consequences of the immense damages that would result to  
18 Representative Plaintiff and Class Members.  
19

20 63. As a direct and proximate result of Defendants' negligence, Representative  
21 Plaintiff and Class Members have suffered and will continue to suffer injury, including but not  
22 limited to: (i) actual identity theft, (ii) the loss of the opportunity of how their PII is used, (iii) the  
23 compromise, publication, and/or theft of their PII, (iv) out-of-pocket expenses associated with the  
24 prevention, detection and recovery from identity theft, tax fraud, and/or unauthorized use of their  
25 PII, (v) lost opportunity costs associated with effort expended and the loss of productivity  
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1 addressing and attempting to mitigate the actual and future consequences of the Data Breach,  
2 including but not limited to efforts spent researching how to prevent, detect, contest, and recover  
3 from embarrassment and identity theft, (vi) the continued risk to their PII, which may remain in  
4 Defendants' possession and is subject to further unauthorized disclosures so long as Defendants  
5 fail to undertake appropriate and adequate measures to protect Representative Plaintiff's and  
6 Class Members' PII in its continued possession, and (vii) future costs in terms of time, effort, and  
7 money that will be expended to prevent, detect, contest, and repair the impact of the PII  
8 compromised as a result of the Data Breach for the remainder of the lives of Representative  
9 Plaintiff and Class Members.

11 64. As a direct and proximate result of Defendants' negligence, Representative  
12 Plaintiff and Class Members have suffered and will continue to suffer other forms of injury and/or  
13 harm, including but not limited to anxiety, emotional distress, loss of privacy, and other economic  
14 and non-economic losses.

16 65. Additionally, as a direct and proximate result of Defendants' negligence,  
17 Representative Plaintiff and Class Members have suffered and will continue to suffer the  
18 continued risks of exposure of their PII, which remains in Defendants' possession and is subject  
19 to further unauthorized disclosures so long as Defendants fails to undertake appropriate and  
20 adequate measures to protect PII in its continued possession.

22 **COUNT TWO**  
23 **Breach of Confidence**  
24 **(On behalf of the Nationwide Class)**

26 66. Each and every allegation of the preceding paragraphs is incorporated in this Count  
27 with the same force and effect as though fully set forth herein.



1           67. During Representative Plaintiff's and Class Members' interactions with  
2 Defendants, Defendants were fully aware of the confidential nature of the PII that Representative  
3 Plaintiff and Class Members provided to it.

4           68. As alleged herein and above, Defendants' relationship with Representative  
5 Plaintiff and Class Members was governed by promises and expectations that Representative  
6 Plaintiff and Class Members' PII would be collected, stored, and protected in confidence, and  
7 would not be accessed by, acquired by, appropriated by, disclosed to, encumbered by, exfiltrated  
8 by, released to, stolen by, used by, and/or viewed by unauthorized third parties.

9           69. Representative Plaintiff and Class Members provided their respective PII to  
10 Defendants with the explicit and implicit understandings that Defendants would protect and not  
11 permit the PII to be accessed by, acquired by, appropriated by, disclosed to, encumbered by,  
12 exfiltrated by, released to, stolen by, used by, and/or viewed by unauthorized third parties.

13           70. Representative Plaintiff and Class Members also provided their PII to Defendants  
14 with the explicit and implicit understanding that Defendants would take precautions to protect  
15 their PII from unauthorized access, acquisition, appropriation, disclosure, encumbrance,  
16 exfiltration, release, theft, use, and/or viewing, such as following basic principles of protecting its  
17 networks and data systems.

18           71. Defendants voluntarily received, in confidence, Representative Plaintiff's and  
19 Class Members' PII with the understanding that the PII would not be accessed by, acquired by,  
20 appropriated by, disclosed to, encumbered by, exfiltrated by, released to, stolen by, used by,  
21 and/or viewed by the public or any unauthorized third parties.

22           72. Due to Defendants' failure to prevent, detect and avoid the Data Breach from  
23 occurring by, *inter alia*, not following best information security practices to secure Representative  
24

1 Plaintiff's and Class Members' PII, Representative Plaintiff's and Class Members' PII was  
2 accessed by, acquired by, appropriated by, disclosed to, encumbered by, exfiltrated by, released  
3 to, stolen by, used by, and/or viewed by unauthorized third parties beyond Representative  
4 Plaintiff's and Class Members' confidence and without their express permission.

5 73. As a direct and proximate cause of Defendants' actions and/or omissions,  
6 Representative Plaintiff and Class Members have suffered damages, as alleged herein.

7 74. But for Defendants' failure to maintain and protect Representative Plaintiff's and  
8 Class Members' PII in violation of the parties' understanding of confidence, their PII would not  
9 have been accessed by, acquired by, appropriated by, disclosed to, encumbered by, exfiltrated by,  
10 released to, stolen by, used by, and/or viewed by unauthorized third parties. The Data Breach was  
11 the direct and legal cause of the misuse of Representative Plaintiff's and Class Members' PII and  
12 the resulting damages.  
13

14 75. The injury and harm Representative Plaintiff and Class Members suffered and will  
15 continue to suffer was the reasonably foreseeable result of Defendants' unauthorized misuse of  
16 Representative Plaintiff's and Class Members' PII. Defendants knew their data systems and  
17 protocols for accepting and securing Representative Plaintiff's and Class Members' PII had  
18 security and other vulnerabilities that placed Representative Plaintiff's and Class Members' PII  
19 in jeopardy.  
20

21 76. As a direct and proximate result of Defendants' breaches of confidence,  
22 Representative Plaintiff and Class Members have suffered and will continue to suffer injury, as  
23 alleged herein, including but not limited to: (i) actual identity theft, (ii) the compromise,  
24 publication, and/or theft of their PII, (iii) out-of-pocket expenses associated with the prevention,  
25 detection and recovery from identity theft and/or unauthorized use of their PII, (iv) lost  
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1 opportunity costs associated with effort expended and the loss of productivity addressing and  
2 attempting to mitigate the actual and future consequences of the Data Breach, including but not  
3 limited to efforts spent researching how to prevent, detect, contest, and recover from identity theft,  
4 (v) the continued risk to their PII, which remains in Defendants' possession and is subject to  
5 further unauthorized disclosures so long as Defendants fail to undertake appropriate and adequate  
6 measures to protect Class Members' PII in its continued possession, (vi) future costs in terms of  
7 time, effort, and money that will be expended as result of the Data Breach for the remainder of  
8 the lives of Representative Plaintiff and Class Members, (vii) the diminished value of  
9 Representative Plaintiff's and Class Members' PII, and (viii) the diminished value of Defendants'  
10 services for which Representative Plaintiff and Class Members paid and received.  
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12  
13 **COUNT THREE**  
14 **Breach of Implied Contract**  
15 **(On behalf of the Nationwide Class)**

16 77. Each and every allegation of the preceding paragraphs is incorporated in this Count  
17 with the same force and effect as though fully set forth herein.

18 78. Through their course of conduct, Defendants, Representative Plaintiff and Class  
19 Members entered into implied contracts for Defendants to implement data security adequate to  
20 safeguard and protect the privacy of Representative Plaintiff's and Class Members' PII.

21 79. Defendants required Representative Plaintiff and Class Members to provide and  
22 entrust their PII as a condition of obtaining Defendants' services.

23 80. Defendants solicited and invited Representative Plaintiff and Class Members to  
24 provide their PII as part of Defendants' regular business practices. Representative Plaintiff and  
25 Class Members accepted Defendants' offers and provided their PII to Defendants.

26 81. As a condition of being Defendants' direct customers, Representative Plaintiff and  
27 Class Members provided and entrusted their PII to Defendants. In so doing, Representative

1 Plaintiff and Class Members entered into implied contracts with Defendants by which Defendants  
2 agreed to safeguard and protect such non-public information, to keep such information secure and  
3 confidential and to timely and accurately notify Representative Plaintiff and Class Members if  
4 their data had been breached and compromised or stolen.

5 82. A meeting of the minds occurred when Representative Plaintiff and Class  
6 Members agreed to, and did, provide their PII to Defendants, in exchange for, amongst other  
7 things, the protection of their PII.

8 83. Representative Plaintiff and Class Members fully performed their obligations  
9 under the implied contracts with Defendants.

10 84. Defendants breached the implied contracts they made with Representative Plaintiff  
11 and Class Members by failing to safeguard and protect their PII and by failing to provide timely  
12 and accurate notice to them that their PII was compromised because of the Data Breach.

13 85. As a direct and proximate result of Defendants' above-described breach of implied  
14 contract, Representative Plaintiff and Class Members have suffered and will continue to suffer:  
15 (i) ongoing, imminent and impending threat of identity theft crimes, fraud, and abuse, resulting  
16 in monetary loss and economic harm, (ii) actual identity theft crimes, fraud, and abuse, resulting  
17 in monetary loss and economic harm, (iii) loss of the confidentiality of the stolen confidential  
18 data, (iv) the illegal sale of the compromised data on the dark web, (v) lost work time, and (vi)  
19 other economic and non-economic harm.

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23 **COUNT FOUR**  
24 **Breach of the Implied Covenant of Good Faith and Fair Dealing**  
25 **(On behalf of the Nationwide Class)**

26 86. Each and every allegation of the preceding paragraphs is incorporated in this Count  
27 with the same force and effect as though fully set forth herein.

1 87. Every contract in this State (Washington) has an implied covenant of good faith  
2 and fair dealing. This implied covenant is an independent duty and may be breached even  
3 when there is no breach of a contract's actual and/or express terms.

4 88. Representative Plaintiff and Class Members have complied with and performed  
5 all conditions of their contracts with Defendants.

6  
7 89. Defendants breached the implied covenant of good faith and fair dealing by  
8 failing to maintain adequate computer systems and data security practices to safeguard PII, failing  
9 to timely and accurately disclose the Data Breach to Representative Plaintiff and Class Members,  
10 and continued acceptance of PII and storage of other personal information after Defendants knew  
11 or should have known of the security vulnerabilities of the systems that were exploited in the Data  
12 Breach.

13  
14 90. Defendants acted in bad faith and/or with malicious motive in denying  
15 Representative Plaintiff and Class Members the full benefit of their bargains as originally  
16 intended by the parties, thereby causing them injury in an amount to be determined at trial.

17 **COUNT FIVE**  
18 **Breach of Fiduciary Duty**  
19 **(On behalf of the Nationwide Class)**

20 91. Each and every allegation of the preceding paragraphs is incorporated in this Count  
21 with the same force and effect as though fully set forth herein.

22 92. In light of the special relationship between Defendants and Representative  
23 Plaintiff and Class Members, whereby Defendants became the guardian of Representative  
24 Plaintiff's and Class Members' PII, Defendants became a fiduciary by its undertaking and  
25 guardianship of the PII to act primarily for Representative Plaintiff and Class Members, (i) for  
26 the safeguarding of Representative Plaintiff's and Class Members' PII, (ii) to timely notify  
27 Representative Plaintiff and Class Members of a data breach and disclosure, and (iii) to maintain

1 complete and accurate records of what information (and where) Defendants did has and continues  
2 to store.

3 93. Defendants have a fiduciary duty to act for the benefit of Representative Plaintiff  
4 and Class Members upon matters within the scope of their relationship with its customers' and  
5 former customers—in particular, to keep their PII secure.

6 94. Defendants breached their fiduciary duties to Representative Plaintiff and Class  
7 Members by failing to diligently discover, investigate, and give notice of the Data Breach in a  
8 reasonable and practicable period of time.

9 95. Defendants breached their fiduciary duties to Representative Plaintiff and Class  
10 Members by failing to encrypt and otherwise protect the integrity of the systems containing  
11 Representative Plaintiff's and Class Members' PII.

12 96. Defendants breached their fiduciary duties to Representative Plaintiff and Class  
13 Members by failing to timely notify and/or warn Representative Plaintiff and Class Members of  
14 the Data Breach.

15 97. Defendants breached their fiduciary duties to Representative Plaintiff and Class  
16 Members by otherwise failing to safeguard Representative Plaintiff's and Class Members' PII.

17 98. As a direct and proximate result of Defendants' breaches of their fiduciary duties,  
18 Representative Plaintiff and Class Members have suffered and will continue to suffer injury,  
19 including but not limited to: (i) actual identity theft, (ii) the compromise, publication, and/or theft  
20 of their PII, (iii) out-of-pocket expenses associated with the prevention, detection, and recovery  
21 from identity theft and/or unauthorized use of their PII, (iv) lost opportunity costs associated with  
22 effort expended and the loss of productivity addressing and attempting to mitigate the actual and  
23 future consequences of the Data Breach, including but not limited to efforts spent researching  
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1 how to prevent, contest, and recover from identity theft, (v) the continued risk to their PII, which  
 2 remains in Defendants' possession and is subject to further unauthorized disclosures so long as  
 3 Defendants fail to undertake appropriate and adequate measures to protect the PII in its continued  
 4 possession, (vi) future costs in terms of time, effort, and money that will be expended as result of  
 5 the Data Breach for the remainder of the lives of Representative Plaintiff and Class Members, and  
 6 (vii) the diminished value of Defendants' services they received.

8 99. As a direct and proximate result of Defendants' breach of its fiduciary duties,  
 9 Representative Plaintiff and Class Members have suffered and will continue to suffer other forms  
 10 of injury and/or harm, and other economic and non-economic losses.

11 **COUNT SIX**  
 12 **Unjust Enrichment**  
 13 **(On behalf of the Nationwide Class)**

14 100. Each and every allegation of the preceding paragraphs is incorporated in this Count  
 15 with the same force and effect as though fully set forth herein. This Count is pled in the alternative  
 16 to the Breach of Contract Count above.

17 101. Upon information and belief, Defendants fund their data-security measures  
 18 entirely from its general revenue, including payments made by or on behalf of Representative  
 19 Plaintiff and Class Members.

20 102. As such, a portion of the payments made by or on behalf of Representative Plaintiff  
 21 and Class Members is to be used to provide a reasonable level of data security, and the amount of  
 22 each payment allocated to data security is known to Defendants.

24 103. Representative Plaintiff and Class Members conferred a monetary benefit to  
 25 Defendants. Specifically, they purchased goods and services from Defendants and/or their agents  
 26 and provided Defendants with their PII. In exchange, Representative Plaintiff and Class Members  
 27

1 should have received from Defendants the goods and services that were the subject of the  
2 transaction and have their PII protected with adequate data security.

3 104. Defendants knew that Representative Plaintiff and Class Members conferred a  
4 benefit which Defendants accepted. Defendants profited from these transactions and used the PII  
5 of Representative Plaintiff and Class Members for business purposes.  
6

7 105. Defendants enriched themselves by saving the costs they reasonably should have  
8 expended in data-security measures to secure Representative Plaintiff's and Class Members' PII.  
9 Instead of providing a reasonable level of security that would have prevented the hacking incident,  
10 Defendants instead calculated to increase their own profits at the expense of Representative  
11 Plaintiff and Class Members by utilizing cheaper, ineffective security measures. On the other  
12 hand, Representative Plaintiff and Class Members suffered as a direct and proximate result of  
13 Defendants' decision to prioritize its profits over the requisite security.  
14

15 106. Under the principles of equity and good conscience, Defendants should not be  
16 permitted to retain the money belonging to Representative Plaintiff and Class Members, because  
17 Defendants failed to implement appropriate data management and security measures mandated  
18 by industry standards.

19 107. Defendants failed to secure Representative Plaintiff's and Class Members' PII and,  
20 therefore, did not provide full compensation for the benefit of Representative Plaintiff and Class  
21 Members.  
22

23 108. Defendants acquired the PII through inequitable means in that they failed to  
24 disclose the inadequate security practices previously alleged.

25 109. If Representative Plaintiff and Class Members knew that Defendants had not  
26 reasonably secured their PII, they would not have agreed to provide their PII to Defendants.  
27



1 110. Representative Plaintiff and Class Members have no remedy at law.

2 111. As a direct and proximate result of Defendants' conduct, Representative Plaintiff  
3 and Class Members have suffered and will continue to suffer injury, including but not limited to:  
4 (i) actual identity theft, (ii) the loss of opportunity to determine how their PII is used, (iii) the  
5 compromise, publication, and/or theft of their PII, (iv) out-of-pocket expenses associated with the  
6 prevention, detection, and recovery from identity theft, and/or unauthorized use of their PII, (v)  
7 lost opportunity costs associated with efforts expended and the loss of productivity addressing  
8 and attempting to mitigate the actual and future consequences of the Data Breach, including but  
9 not limited to efforts spent researching how to prevent, detect, contest, and recover from identity  
10 theft, (vi) the continued risk to their PII, which remains in Defendants' possession and is subject  
11 to further unauthorized disclosures so long as Defendants fails to undertake appropriate and  
12 adequate measures to protect PII in its continued possession, and (vii) future costs in terms of  
13 time, effort and money that will be expended to prevent, detect, contest, and repair the impact of  
14 the PII compromised as a result of the Data Breach for the remainder of the lives of Representative  
15 Plaintiff and Class Members.  
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18 112. As a direct and proximate result of Defendants' conduct, Representative Plaintiff  
19 and Class Members have suffered and will continue to suffer other forms of injury and/or harm.  
20

21 113. Defendants should be compelled to disgorge into a common fund or constructive  
22 trust, for the benefit of Representative Plaintiff and Class Members, proceeds that it unjustly  
23 received from them. In the alternative, Defendants should be compelled to refund the amounts  
24 that Representative Plaintiff and Class Members overpaid for Defendants' services.  
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**RELIEF SOUGHT**

**WHEREFORE**, Representative Plaintiff, on behalf of themselves and each member of the proposed National Class respectfully request that the Court enter judgment in their favor and for the following specific relief against Defendants as follows:

A. That the Court declare, adjudge, and decree that this action is a proper class action and certify the proposed class and/or any other appropriate subclasses under F.R.C.P. Rule 23(b)(1), (b)(2), and/or (b)(3), including the appointment of Representative Plaintiff's counsel as Class Counsel;

B. For an award of damages, including actual, nominal, and consequential damages, as allowed by law in an amount to be determined;

C. That the Court enjoin Defendants, ordering them to cease and desist from similar unlawful activities;

D. For equitable relief enjoining Defendants from engaging in the wrongful conduct complained of herein pertaining to the misuse and/or disclosure of Representative Plaintiff's and Class Members' PII, and from refusing to issue prompt, complete, and accurate disclosures to Representative Plaintiff and Class Members;

E. For injunctive relief requested by Representative Plaintiff, including but not limited to injunctive and other equitable relief as is necessary to protect the interests of Representative Plaintiff and Class Members, including but not limited to an Order:

- i. prohibiting Defendants from engaging in the wrongful and unlawful acts described herein;

- 1       ii.       requiring Defendants to protect, including through encryption, all data collected
- 2               through the course of business in accordance with all applicable regulations,
- 3               industry standards and federal, state or local laws;
- 4       iii.       requiring Defendants to delete and purge Representative Plaintiff's and Class
- 5               Members' PII unless Defendants can provide to the Court reasonable justification
- 6               for the retention and use of such information when weighed against the privacy
- 7               interests of Representative Plaintiff and Class Members;
- 8       iv.       requiring Defendants to implement and maintain a comprehensive Information
- 9               Security Program designed to protect the confidentiality and integrity of
- 10              Representative Plaintiff's and Class Members' PII;
- 11       v.       requiring Defendants to engage independent third-party security auditors and
- 12              internal personnel to run automated security monitoring, simulated attacks,
- 13              penetration tests, and audits on Defendants' systems on a periodic basis;
- 14       vi.       prohibiting Defendants from maintaining Representative Plaintiff's and Class
- 15              Members' PII on a cloud-based database;
- 16       vii.      requiring Defendants to segment data by creating firewalls and access controls so
- 17              that, if one area of Defendants' network is compromised, hackers cannot gain
- 18              access to other portions of Defendants' systems;
- 19       viii.     requiring Defendants to conduct regular database scanning and securing checks;
- 20       ix.       requiring Defendants to establish an information security training program that
- 21              includes at least annual information security training for all employees, with
- 22              additional training to be provided as appropriate based upon the employees'
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respective responsibilities with handling PII, as well as protecting the PII of Representative Plaintiff and Class Members;

- x. requiring Defendants to implement a system of tests to assess its respective employees' knowledge of the education programs discussed in the preceding subparagraphs, as well as randomly and periodically testing employees' compliance with Defendants' policies, programs and systems for protecting personal identifying information;

- xi. requiring Defendants to implement, maintain, review and revise as necessary a threat management program to monitor Defendants' networks for internal and external threats appropriately, and assess whether monitoring tools are properly configured, tested and updated;

- xii. requiring Defendants to meaningfully educate all Class Members about the threats they face as a result of the loss of their confidential PII to third parties, as well as the steps affected individuals must take to protect themselves.

- F. For prejudgment interest on all amounts awarded, at the prevailing legal rate;

- G. For an award of attorney's fees, costs, and litigation expenses, as allowed by law;

- H. For all other Orders, findings and determinations identified and sought in this

**Complaint.**

**JURY DEMAND**

Representative Plaintiff, individually and on behalf of the Class, hereby demands a trial by jury for all issues triable by jury.

Respectfully submitted this 16th day of May, 2025.

EMERY | REDDY, PLLC

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By: /s/ Patrick B. Reddy

By: /s/ Paul Cipriani

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